



# Defense Pricing and Contracting **YEAR IN REVIEW REPORT 2021**

## DoD Pricing and Contracting Professionals,

As you well know, 2021 presented new challenges for the Nation, the Department, and our Contracting community, who very effectively responded to meet these challenges. As the COVID-19 pandemic entered its second year, a new Administration took office, and Operation Freedom's Sentinel came to end, you delivered significant capabilities in support of the Department's mission. This Year in Review report for calendar year (CY) 2021 gives us the opportunity to capture and reflect on those contributions and gives us the opportunity to capture and reflect on those contributions and also to highlight initiatives that Defense Pricing and Contracting (DPC) continues to undertake on your behalf.

Our vision for DPC is to lead acquisition excellence through our values—partnership, integrity, empowerment, and transparency. In doing so, we seek to deliver timely and effective contracting policies, tools, and solutions that will enable access to innovative, affordable world-class capabilities in support of the Nation's warfighters.

DPC will continue to facilitate communications and cross-sharing of best practices across our DoD Contracting community – by means such as this Year in Review, the various forums that we host, and our redesigned DPC website that launched at the end of CY 2021.



A handwritten signature of John M. Tenaglia in black ink.

**John M. Tenaglia**

Principal Director, Defense Pricing and Contracting  
Office of the Under Secretary of Defense  
(Acquisition and Sustainment)

To view our revamped website, please visit:  
<https://www.acq.osd.mil/asda/dpc>

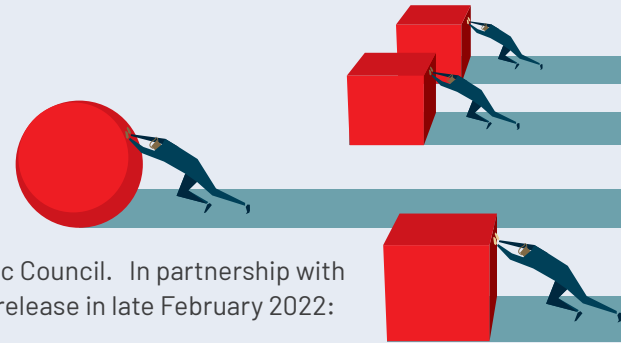
# National Priorities

## Competition

Executive Order (EO) 14036, "Promoting Competition in the American Economy," issued on July 9, 2021, established a whole-of-government effort to promote competition in the American Economy. The EO outlined the need for a competitive economy, while addressing roles of governmental departments and agencies to include establishment of the Competition Council.

The EO also required the Department submit two reports to the National Economic Council. In partnership with other A&S components, DPC is developing both competition reports, planned for release in late February 2022:

- "State of Competition of the Defense in Industrial Base"
- "Lifecycle Sustainment Effort to Support DoD Organic Repair"



## Made in America

The President's EO 14005, "Ensuring the Future is Made in All of America by All of America's Workers" encourages preference for U.S. goods in support of American workers through the full use of domestic preference laws and regulations within federal contracting. It

also created the OMB, Director, Made in America Office (MIAO) to review use of exceptions to Buy American provisions.

DPC, in partnership with DLA, OMB and GSA assisted MIAO in launching a digital exception review process, ultimately leading to the launch of MadeinAmerica.gov, stand-up of the DoD Senior Accountable network to support the exception review process, shaping and publishing semi-annual MiA reports and rulemaking.

In addition, DPC communicated DoD's need to retain access to the **best solutions in the global marketplace**, the benefits provided to our collective security and interoperability by our allies and trading partners, and the value of our foreign military sales (FMS) programs.

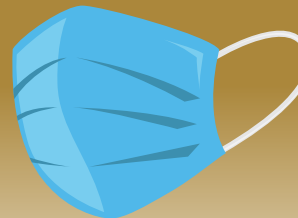


To learn more about DoD International Contracting in a global marketplace, see <https://www.acq.osd.mil/asda/dpc/cp/ic>

## COVID-19 Response



DPC continued to widely disseminate COVID related guidance to the contracting community with its regularly updated webpage.



For access to a variety of acquisition related resources pertaining to COVID-19 including frequently asked questions (FAQs) documents visit: <https://www.acq.osd.mil/asda/dpc/covid-19.html>

# Striking the Balance

In partnership with DAU, the “Striking a Balance” webinar series is a platform for subject matter experts to discuss DoD acquisition community topics of interest and assist acquisition professionals in striking the balance between competing objectives such as delivering capability to the warfighter at reasonable prices for the taxpayer.



**In 2021, DPC sponsored 10 Striking the Balance Webinars reaching over 10,000 viewers.**

DATE	TRAINING EVENT TITLE	LINK
JAN 13	Pricing and Other Transactions: Striking the Balance Between Speed & Price	<a href="https://www.dau.edu/event/Striking-a-Balance-Speed-vs-Price">https://www.dau.edu/event/Striking-a-Balance-Speed-vs-Price</a>
JAN 27	Meeting Warfighters’ Requirements While Achieving Industry Financial Goals	<a href="https://www.dau.edu/event/Striking-the-Balance-Industry-January-2021">https://www.dau.edu/event/Striking-the-Balance-Industry-January-2021</a>
FEB 10	Price and Value for Software Acquisition	<a href="https://www.dau.edu/event/DAU-Pricing-Forum-Series-Feb-21">https://www.dau.edu/event/DAU-Pricing-Forum-Series-Feb-21</a>
MAR 10	Price and Data Rights	<a href="https://www.dau.edu/event/Pricing-Forum-Series-March-2021">https://www.dau.edu/event/Pricing-Forum-Series-March-2021</a>
APR 14	Lessons Learned and Best Practices on Speed, Price, and Quality	<a href="https://www.dau.edu/event/Striking-the-Balance-Lessons-Learned-and-Best-Practices-on-Speed,-Price,-and-Quality">https://www.dau.edu/event/Striking-the-Balance-Lessons-Learned-and-Best-Practices-on-Speed,-Price,-and-Quality</a>
MAY 12	Fixed Price Incentive Firm Target Contracts	<a href="https://www.dau.edu/event/Striking-the-Balance-FPIF-Contracts">https://www.dau.edu/event/Striking-the-Balance-FPIF-Contracts</a>
JUL 21	Performance-Based Payments	<a href="https://www.dau.edu/event/Striking-the-Balance-Performance-Based-Payments">https://www.dau.edu/event/Striking-the-Balance-Performance-Based-Payments</a>
AUG 04	Cost Plus Incentive Fees	<a href="https://www.dau.edu/event/Striking-the-Balance-Cost-Plus-Incentive-Fees">https://www.dau.edu/event/Striking-the-Balance-Cost-Plus-Incentive-Fees</a>
OCT 06	Pricing Variable Quantities	<a href="https://www.dau.edu/event/Striking-the-Balance-Pricing-Variable-Quantities">https://www.dau.edu/event/Striking-the-Balance-Pricing-Variable-Quantities</a>
DEC 15	Subcontracting	<a href="https://www.dau.edu/event/Striking-the-Balance-Subcontracting">https://www.dau.edu/event/Striking-the-Balance-Subcontracting</a>

**For more information on Striking the Balance, visit:**  
<https://www.acq.osd.mil/asda/dpc/pcf/resources-training.html>

## Peer Reviews

The peer review program embodies a world-class practice where senior leaders work together regarding the most important enterprise investment decisions. DPC conducts thorough reviews of major procurements throughout the solicitation, source selection, and negotiation process. Sharing lessons learned and best practices ensures policies and regulations are implemented in a consistent manner, resulting in improved quality of Departmental contracting processes.

In addition to tools and training material, guidance, best practices, and lessons learned captured during sole source peer reviews are published on the DPC website at:  
<https://www.acq.osd.mil/asda/dpc/pcf/ss-peer-reviews.html>.

We added best practices compiled from competitive acquisition peer reviews. For more information please visit:  
<https://www.acq.osd.mil/asda/dpc/cp/policy/peer-reviews.html>

In FY21, the DPC team conducted **56** sole source peer reviews representing **44** acquisitions valued at **\$132.9B** and **6** competitive peer reviews representing **4** acquisitions totaling **\$30.3B**. Through this process, DPC provided expert advice engaging over **600** participants with representation spanning Air Force, Army, Navy, Defense Logistics Agency, Missile Defense Agency, and U.S. Space Force.

## Defense Acquisition Regulations



### ■ Published 69 FAR, DFARS, & DFARS PGI revisions

- 70% of FAR, DFARS, & PGI revisions implement statutes, Executive Orders, & OMB Policy
- Key areas include cybersecurity, supply chain risk management, small business utilization, market research, acquisition of services, and international acquisition

### ■ During the COVID-19 National Emergency:

- Provided temporary contract financing flexibilities
- Reduced paper-based processes

### ■ Maximized public participation in rulemaking

- Conducted 5 public meetings associated with FAR & DFARS regulations development

### ■ Conducted 4 quarterly DPC/Industry Association meetings

For more information on Defense Acquisition Regulations, please visit:  
<https://www.acq.osd.mil/dpap/dars>

**In 2021, DPC trained over 17K procurement personnel on eBiz systems.**

## eBusiness Systems

DPC improved the operations of eBusiness systems in 2021 through the expanded use of common data standards and implementation of standard Procure-to-Pay business procedures that enforce procurement policy while allowing flexible and rapid response to emerging needs.

### ■ Data Standards:

- Updated the Procurement Data Standard (PDS) to include new federal entity identifier and allow better fidelity of contract amounts
- Updated the Catalog Data Standard to pilot its use as a Bill of Material for MDAPs
- 5 Systems newly adopted the PDS and/or Purchase Request Data Standard

### ■ Increased Government-Furnished Property (GFP) reporting by 150% across Department

### ■ Governmentwide Commercial Purchase Card (GPC) component programs improved internal controls and cybersecurity with 63K GPC users' appointments made in Procurement Integrated Enterprise Environment (PIEE) Joint Appointment Module (JAM)

- Deployed the Plant Clearance capability in the PIEE GFP Module; reducing manual processes for both contractors and DoD
- Transitioned over 63K DoD users, 26K roles, and 80 Component system interfaces to the new System for Award Management (SAM) platform
- The Supplier Performance Risk System (SPRS) added 15K+ NIST SP 800-171 DoD Assessments making over 28K CAGE codes eligible for contract award



For more information about our Contracting eBusiness team and their eBusiness systems initiatives, please visit:  
<https://www.acq.osd.mil/asda/dpc/ce>

## AbilityOne



We recently submitted the fourth and final Panel on Department of Defense and AbilityOne Contracting Oversight, Accountability, and Integrity (Section 898 Panel) Report to Congress summarizing recommendations to improve the AbilityOne program.

For more information about AbilityOne or the Section 898 Panel, please visit:  
<https://www.acq.osd.mil/asda/dpc/cp/policy/abilityone.html>



# Contingency Contracting Corner

## Operational Contract Support

**Revamped HCA Adjudication Process for "Prohibition on Providing Funds to the Enemy":** Section 841 of the FY15 NDAA grants the authority to terminate or void contracts and to restrict future awards to any person or entity providing funds to those actively opposing U.S. or coalition forces involved in a contingency operation.

Working with ODASD(Log), JSJ4, OUSD(I&S), and applicable Combatant Commands (CCMDs), DPC helped create a standardized, repeatable, efficient HCA adjudication process to meet Congress' intent to never contract with the enemy and ultimately to strengthen the Department's Vendor Threat Mitigation.

**BIZINT web and mobile application development:** BIZINT (business intelligence) is a map-based application that displays the capacity of the supplies and services available in the commercial market. BIZINT users (Functional Planners, Senior Contracting Officials, and Contingency Contracting Officers) can add and update vendor information to ensure business intelligence is accurate and up-to-date.

In partnership with the Military Departments, DPC worked to develop features and test user-interface of the BIZINT application in preparation for launch in 2022.

BIZINT represents an opportunity to make military installation support more efficient, resilient, and cost-effective by leveraging the capacity of the local commercial market.

## Afghanistan Drawdown

**Project Rabbit:** In partnership with the Afghanistan Transition Lead for A&S, Defense Digital Service (DDS), and the Department of State Afghan Special Immigrant Visa(SIV) team, DPC helped expedite and streamline the pre-Chief of Mission (pre-COM) portion of the SIV process for Afghan nationals who were reportedly employed by DoD contractors. This effort is called Project Rabbit. A&S collaborated with

# Acquisition Innovation

## Other Transactions

Annually increasing in use, in 2021 DPC reported to Congress on the Department's FY20 use of OTs to acquire innovative products and services in support of rapidly evolving warfighter needs.

In FY21, **\$14.6B** in OT obligations were awarded, **\$3.1B** of which were in support of COVID-19 response efforts.

## Commercial Solutions Openings

Great news! Responding to DPC's legislative proposal, Congress enacted Section 803 of the FY22 NDAA to provide permanent authority to use Commercial Solutions Openings (CSOs). DPC is updating guidance for what had previously been a pilot program. Like OTs, CSOs provide another tool to reduce the burden for commercial companies to compete as well as for the Department to more rapidly move to award.

In total for FY21, **93** actions with **\$1.85B** in obligations were awarded, up significantly from FY20 with **45** actions and **\$37.67M** in support of high value COVID 19 response efforts.

## TINA Lite

As authorized by Section 890 of the FY19 NDAA, as amended by Section 825 of the FY20 NDAA, DPC is leading a program to pilot scalable and tailorable processes for streamlining proposal pricing. Once approved for pilot participation, the contracting officer may strategically establish the extent, structure and level of detail required to establish price reasonableness. To date, five contract actions valued at \$5.5B are included in the pilot.

For more information on TINA Lite, or if interested in participating in the Pilot Program, which is being conducted through January 2, 2023, please visit: <https://www.acq.osd.mil/asda/dpc/pcf/pricing-topics.html>

## 2022 Innovation Outlook

- Issue updated DoD Source Selection Procedures
- Implement and promote permanent authority for the use of CSOs

DDS to build the Rabbit Portal, a web-based system that connects SIV applicant information directly to their employers to complete the employment verification process of the pre-COM SIV phase. To date, Project Rabbit has engaged over 60 companies, reviewed over 9,000 employment records, and matched over 4,850 employment records. The result of this process is 2,700 cases receiving a COM approval as of the end of December 2021.

**Afghan Contractor Payouts:** Working with the Department of Treasury, DFAS, Army Contracting Command (ACC), and the Defense Security Cooperation Management Office-Afghanistan; DPC provided guidance to pay Afghan contractors who were owed money for their support to U.S. forces prior to the collapse of Kabul. This "first of kind" guidance was necessary because payments could no longer be paid to accounts held by Afghanistan's Central Bank.

# Awards

## DPC Awards

To recognize excellence, DPC sponsors two annual awards:

### The Pricing and Contracting Legends Award



The Pricing and Contracting Legends Award recognizes leaders at all levels in the DoD acquisition/contracting community who inspire us to be our best every day, in every situation, by developing, motivating, and inspiring others through formal and informal initiatives. For his commitment to professional development and mentorship of the workforce, effective collaboration, and creative leadership, DPC is pleased to announce this year's award recipient: **Maj Gen Cameron Holt**, Deputy Assistant Secretary for Contracting within the Office of the Assistant Secretary of the Air Force for Acquisition, Technology and Logistics.

### The Ginman Contingency Contracting Officer Excellence Award



The Ginman Contingency Contracting Officer Excellence Award is named after Richard 'Dick' Ginman, a retired Navy Supply Corps Admiral and former Director of Defense Procurement and Acquisition Policy. This annual award honors those whose actions as a Contingency Contracting Officer are truly inspirational. We are pleased to announce this year's award recipient is **Ms. Laura Donson**, who was nominated by the Deputy Assistant Secretary of the Navy for Procurement (DASN(P)) for her performance delivering vital contracting support during Operation ALLIES REFUGE.

*The 2021 Pricing and Contracting Legends Award and the 2021 Ginman Contingency Contracting Officer Excellence Award will be presented to recipients at the March 2022 Senior Leader Meeting.*

To find out more about our awards and nomination instructions, visit <https://www.acq.osd.mil/asda/dpc/ops/awards.html>

## Defense Acquisition Workforce Awards

DPC partners with Human Capital Initiatives (HCI) on the Defense Acquisition Workforce Awards sponsored by A&S.

Among other 2021 Defense Acquisition Workforce Awards Recipients, DPC recognizes the recipients of the following awards:

### Flexibility in Contracting Award

The Flexibility in Contracting Award recognizes defense acquisition programs and acquisition workforce professionals that make the best use of the flexibilities and authorities granted by the FAR and the DoDI 5000.02 (Operation of the Defense Acquisition System). The 2021 Flexibility in Contracting Award winner is **JPEO for Chemical, Biological, Radiological, and Nuclear Defense, U.S. Army**, Edgewood, MD.



### Contracting and Procurement Achievement Award

**Ms. Shanda Lyman** from U.S. TRANSCOM received the Contracting and Procurement Achievement Award for leading a team of logisticians in delivering COVID-19 test kits and needles/syringes assisting the Federal Vaccine Operations Task Force.



For more information regarding the Defense Acquisition Workforce Awards, visit: <https://www.hci.mil/what-we-do/awards/Awards-2021.html>

## Acquisition Exchange Program

The DPC Acquisition Exchange Program (AEP) provides a unique career developmental experience for high-caliber individuals in acquisition and acquisition-related career fields. The program provides participants insight into, and experience in, the development and implementation of DoD-wide acquisition policy.

### Have you ever wondered how acquisition policies are made?

Are you interested in how functional process, policy, and data requirements are incorporated in procurement-related business systems? Would you like to participate in the review of procurements over \$1 billion? Does the implementation of regulations interest you? Applications for the FY23 cohort will be accepted fall 2022.

Find out more about the program by visiting: <https://www.acq.osd.mil/asda/dpc/ops/aep.html>

**14** acquisition professionals participated in the program in 2021. The program has been in place since 2001 and **311** candidates have participated from the Services as well as Defense Agencies.

- Air Force
- Army
- Defense Contract Audit Agency
- Defense Contract Management Agency
- Defense Counterintelligence and Security Agency
- Defense Finance and Accounting Service
- Defense Information Systems Agency
- Defense Intelligence Agency
- Defense Logistics Agency
- National Aeronautics and Space Administration
- National Geospatial-Intelligence Agency
- National Guard Bureau
- Navy
- Special Operations Command

## Looking Ahead

In CY 2022, DPC plans to focus on the following key initiatives:

- Transforming training and development for our workforce
- Adapting policies to enable access to innovative technologies
- Implementing the Administration's policy priorities
- Continuing to support the COVID-19 response
- Deploying eBusiness systems improvements
- Instituting pilots for streamlined contract pricing